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Cotton Acreage Allotments and Marketing Quotas for 1956

Cotton growers will vote in a referendum on December 13, 1955, to decide whether or not marketing quotas will be in effect for their 1956 upland cotton crop. At least two-thirds of the growers voting must approve the quotas if they are to be continued in effect.

If producers approve quotas:

- ★ Marketing quotas will be in effect on all farms growing upland cotton in 1956.
- ★ Penalties will apply on "excess" cotton.
- ★ Acreage allotments will be in effect.
- ★ Price supports will be available to "eligible" growers (who comply with their cotton acreage allotments) at the full level of effective supports. Under current legislative provisions, this support will be between 75 and 90 percent of parity—the level within this range depending upon the supply situation at the time the determination is made.

If producers disapprove quotas:

- ★ Marketing quotas and penalties will not be in effect for the 1956 upland cotton crop.
- ★ Acreage allotments will continue in effect.
- ★ Price supports to eligible growers will be available at 50 percent of parity.

Who Can Vote

All farmers who grew upland cotton in 1955 are eligible to vote in the referendum. Voting will be by secret ballots at polling places in each county where upland cotton is grown.

The U. S. Cotton Supply

The Secretary of Agriculture is directed by law to proclaim a national marketing quota for the next upland cotton crop when the "total supply" (carryover plus current crop plus imports) exceeds the "normal supply" (expected domestic consumption and exports plus a 30-percent reserve).

Prospective supplies for the 1955-56 marketing year are estimated at 24.4 million running bales. This is 8.8 million bales above the normal supply of 15.6 million bales.

Because supplies are so large, the national marketing quota proclaimed for the 1956 crop has been set at 10 million bales (standard bales of 500 pounds gross weight). This is the same as the 1955 quota. It is the level set by law, under "minimum quota" provisions which apply when the supply is very large. If there were no "minimum," the national quota (which is the estimated amount of cotton needed from the 1956 crop to make a "normal supply" available next year) would be only 3.8 million bales.

Converted to acreage, the 1956 upland cotton marketing quota provides a national acreage allotment of 17,391,304 acres, based on a national average yield of 276 pounds per acre for the 5 years 1950-54, inclusive. This national allotment is divided among States, and the State allotments, less a reserve for special adjustments and new farms, among counties on the basis of the acreages planted to cotton in each State and each county during the 5 years in the base period.

How Quotas Affect a Farm

The individual farm marketing quota is determined as follows:

1. If the acreage of upland cotton on the farm in 1956 does not exceed the farm acreage allotment, the farm marketing quota is the entire production of upland cotton on the farm. Within a time limit, a farmer who has over-

planted cotton will be permitted to adjust the acreage to the farm allotment.

2. If the upland cotton acreage is in excess of the farm acreage allotment and the farmer does not adjust it within the permitted time, the farm marketing quota will be the total production of cotton on the farm less the "farm marketing excess." The farm marketing excess will be the normal yield per acre, established for the farm, multiplied by the acreage of cotton on the farm in excess of the allotment. If the producer establishes promptly after harvest that the actual yield per acre for the farm is less than the normal yield, the county ASC committee will reduce the amount of the farm marketing excess.

Marketing Quota Penalties

The penalty on "excess" upland cotton, if quotas are approved for 1956, will be 50 percent of the cotton parity price as of June 15, 1956. (For 1955, the penalty was 17.7 cents per pound.)

The producer may pay the penalty to the ASC County office and get a marketing card or a marketing certificate which entitles him to market his crop without paying further penalty.

If the producer does not pay the penalty, the person who buys the cotton from the producer must collect the penalty and pay it to the ASC County office for transfer to the Treasurer of the United States.

Until the penalty on any excess cotton is paid, a lien on the farm's entire crop of upland cotton will be in effect in favor of the United States.

Farm Allotments

All farms on which cotton was planted in any of the years 1953, 1954, or 1955 will be eligible for cotton allotments in 1956 as "old cotton farms." If cotton was not planted on a farm during any of these years and the operator wishes a cotton allotment for 1956,

the operator (or the owner, if there is no operator) must meet certain eligibility requirements, and must file not later than the established closing date an application with the ASC County office for consideration of an allotment for his farm as a "new cotton farm."

Cotton allotments are established for specific farms (not persons) and may not be transferred in whole or in part by the operator or other producer from one farm to another.

Farm Allotment Notice and Appeal Rights

Operators will be sent a standard notice (Form MQ-24, "Notice of Farm Acreage Allotment and Marketing Quota for 1956 Upland Cotton") with information about the acreage allotments established for their farms.

If a producer is dissatisfied with his farm acreage allotment, he may ask for a review of his case by a review committee appointed by the Secretary of Agriculture. This appeal must be filed within 15 days after the mailing of his allotment notice by the ASC County Committee.

If the farmer is not satisfied with the review committee's decision, he may—within 15 days—institute proceedings for a review of the case by a court.

In counties where extra long staple cotton (such as American-Egyptian, Sea Island, and Sealand) is produced, a separate referendum will be held for this kind of cotton on the same date as for upland cotton.

For further information on cotton marketing quotas and allotments, see your Agricultural Stabilization and Conservation County Committee.

U. S. DEPARTMENT OF AGRICULTURE

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